

SNOWY HYDRO

Legacy Fund

International air freight
connectivity



The NSW Government is working to improve international air freight connectivity from regional NSW to benefit farmers, producers and the economy.

A pre-feasibility study found that there is strong potential to grow agricultural air freight exports with the right investments.

The study assessed the capacity of 60 airports throughout regional NSW to service an international air freight hub.

It revealed that improving regional air freight supply chains may be feasible, however further investigation is needed to determine what infrastructure or policy options would promote the best outcome to enhance growth in priority export markets.

PRIORITY EXPORT MARKETS IDENTIFIED








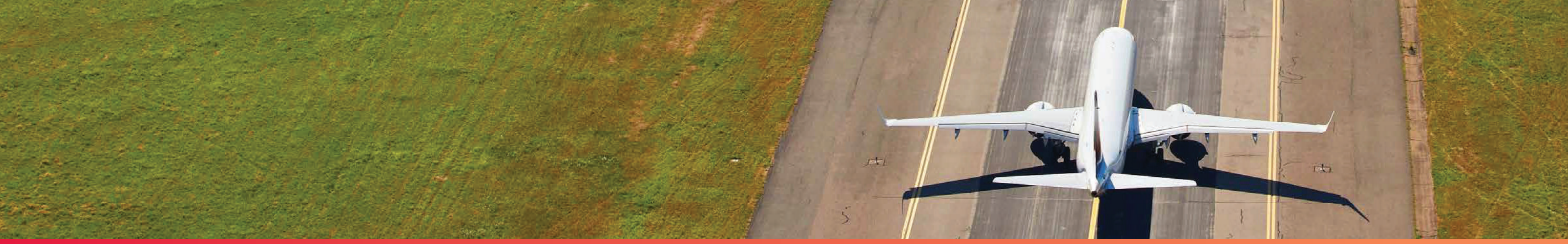
SUPPLY CHAINS

There are many steps involved in getting a product from farm to customer. The air freight supply chain is complex, and each step plays a key role to ensure the integrity of a product.

There are vital infrastructure, operational and regulatory requirements that depend on each other for success.

These include:

-  market access
-  cargo handling
-  packaging needs
-  temperature-controlled storage
-  the airport (such as location and runway size)



PERISHABLE PRODUCTS

There are a number of different perishable products that can be exported from NSW, however beef, lamb, summerfruit, aquaculture, pork and dairy have the highest value and were therefore the focus of the pre-feasibility study.

Currently, NSW exports around 12,000 tonnes of these perishable products to the priority export markets identified. Based on current demand levels, this is expected to almost double in 10 years.



BEEF

\$2.4b – Gross value of NSW production
\$65m – Total air freight export from NSW to the five target markets and two hubs
China – Largest international air freight export market in 2018 (by value)



LAMB

\$833m – Gross value of NSW production
\$13.8m – Total air freight export from NSW to the five target markets and two hubs
South Korea – Largest international air freight export market in 2018 (by value)



SUMMER FRUIT

\$51m – Gross value of NSW production
\$13.9m – Total air freight export from NSW to the five target markets and two hubs
Hong Kong – Largest international air freight export market in 2018 (by value)



PORK

\$224m – Gross value of NSW production
\$9m – Total air freight export from NSW to the five target markets and two hubs
Singapore – Largest international air freight export market in 2018 (by value)



DAIRY

\$549m – Gross value of NSW production
\$11.0m – Total air freight export from NSW to the five target markets and two hubs
China – Largest international air freight export market in 2018 (by value)



AQUACULTURE

\$66m – Gross value of NSW production
\$16.7m – Total air freight export from NSW to the five target markets and two hubs
Japan – Largest international air freight export market in 2018 (by value)

AUSTRALIA

- Australia's domestic and international air freight task represents 21% of our total international trade value, while being less than 0.1% by volume¹.
- The export volume of airfreight per capita increased by 60% in the last five years. More than half of this volume was demand for food products from within the Asia region².

NSW

- 98.6% of NSW's air freight products were exported via Sydney Airport in 2018.
- In 2018, exports of the key perishable products to the priority international markets totalled \$129.4m.

NEXT STEPS

The NSW Government will now conduct:

1. Further detailed investigations into market demand and supply chain needs.
2. In-depth stakeholder engagement.
3. Economic, commercial and financial evaluation.

This work is expected to be completed in 2020.

FOR MORE INFORMATION

Visit www.nsw.gov.au/airfreight

Email airfreightstudy@dpc.nsw.gov.au

The international air freight connectivity investigative work is being delivered by the \$4.2 billion Snowy Hydro Legacy Fund, which is dedicated to benefitting regional NSW.

Sources: 1. Department of Infrastructure, Regional Development and Cities, 2018. 2. Infrastructure Partnerships Australia, 2019.